

**Executive Summary – Enforcement Matter – Case No. 50464**  
**Chevron Phillips Chemical Company LP**  
**RN102320850**  
**Docket No. 2015-0669-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Chevron Phillips Chemical Borger Plant, located two miles northeast of the intersection of State Highway Spurs 119 and 245 near Borger, Hutchinson County

**Type of Operation:**

Organic chemical manufacturing plant

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** September 11, 2015

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$13,125

**Amount Deferred for Expedited Settlement:** \$2,625

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$5,250

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**Supplemental Environmental Project ("SEP") Conditional Offset:** \$5,250

Name of SEP: Borger Independent School District (Third-Party Pre-Approved)

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - Satisfactory

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** April 2014

**Executive Summary – Enforcement Matter – Case No. 50464**  
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**RN102320850**  
**Docket No. 2015-0669-AIR-E**

***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** January 9, 2015

**Date(s) of NOE(s):** February 23, 2015

***Violation Information***

Failed to comply with the permitted hourly emissions rate. Specifically, a July 17, 2013 stack test for the Cure Vessel Vent Scrubber YA25, Emissions Point Number R-V3, showed a particulate matter ("PM") emissions rate of 0.07 pound per hour ("lb/hr") and the permitted emissions rate is 0.06 lb/hr, resulting in the unauthorized release of approximately 28.8 pounds of PM [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), Federal Operating Permit No. O2165, Special Terms and Conditions No. 8, New Source Review Permit No. 7719A, Special Conditions No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

By November 14, 2013, the Respondent adjusted water level settings on the scrubber in order to ensure proper operation and successfully passed a stack test demonstrating compliance with permitted emissions rates.

**Technical Requirements:**

The Order will require the Respondent to implement and complete a SEP (see SEP Attachment A).

***Litigation Information***

**Date Petition(s) Filed:** N/A

**Date Answer(s) Filed:** N/A

**SOAH Referral Date:** N/A

**Hearing Date(s):** N/A

**Settlement Date:** N/A

**Executive Summary – Enforcement Matter – Case No. 50464**  
**Chevron Phillips Chemical Company LP**  
**RN102320850**  
**Docket No. 2015-0669-AIR-E**

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** David Carney, Enforcement Division,  
Enforcement Team 4, MC 149, (512) 239-2583; Candy Garrett, Enforcement Division,  
MC 219, (512) 239-1456

**TCEQ SEP Coordinator:** Stuart Beckley, SEP Coordinator, Enforcement Division,  
MC 219, (512) 239-3565

**Respondent:** James Luginbyhl, Environmental Superintendent, Chevron Phillips  
Chemical Company LP, P.O. Box 968, Borger, Texas 79008

Stephen G. Goff, Borger Plant Manager, Chevron Phillips Chemical Company LP, P.O.  
Box 968, Borger, Texas 79008

**Respondent's Attorney:** N/A



**Attachment A**  
**Docket Number: 2015-0669-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Chevron Phillips Chemical Company LP</b>
<b>Penalty Amount:</b>	<b>Ten Thousand Five Hundred Dollars (\$10,500)</b>
<b>SEP Offset Amount:</b>	<b>Five Thousand Two Hundred Fifty Dollars (\$5,250)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Borger Independent School District</b>
<b>Project Name:</b>	<b><i>Borger ISD Clean School Bus Replacement Program</i></b>
<b>Location of SEP:</b>	<b>Hutchinson County; Texas Air Quality Control Region 211, Amarillo - Lubbock</b>

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

**a. Project**

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Borger Independent School District** for the *Borger ISD Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel and gasoline buses with newer buses that meet more stringent emission standards. The Third-Party Administrator shall use SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel or gasoline school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

Chevron Phillips Chemical Company LP  
Agreed Order - Attachment A

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Borger Independent School District SEP** and mail the contribution with a copy of the Agreed Order to:

Borger Independent School District  
200 East Ninth Street  
Borger, Texas 79008-1177

**3. Records and Reporting**

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount due to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality  
Enforcement Division  
Attention: SEP Coordinator, MC 219  
P.O. Box 13087  
Austin, Texas 78711-3087

#### **4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality"; and shall mail it to:

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

#### **5. Publicity**

Any public statements concerning this SEP made by or on behalf of the Respondent, must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

#### **6. Recognition**

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

#### **7. Other SEPs by TCEQ or Other Agencies**

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.







# Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

**TCEQ**

<b>DATES</b>	<b>Assigned</b>	3-Mar-2015	<b>Screening</b>	30-Apr-2015	<b>EPA Due</b>	22-Aug-2015
	<b>PCW</b>	4-May-2015				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	Chevron Phillips Chemical Company LP				
<b>Reg. Ent. Ref. No.</b>	RN102320850				
<b>Facility/Site Region</b>	1-Amarillo	<b>Major/Minor Source</b>	Major		

## CASE INFORMATION

<b>Enf./Case ID No.</b>	50464	<b>No. of Violations</b>	1
<b>Docket No.</b>	2015-0669-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	David Carney
		<b>EC's Team</b>	Enforcement Team 5
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1** **\$7,500**

## ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

**Compliance History** **100.0%** Enhancement **Subtotals 2, 3, & 7** **\$7,500**

Notes: Enhancement for three NOV's with same/similar violations and six agreed orders containing denials of liability. Reduction for three notices of intent to conduct an audit.

**Culpability** **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5** **-\$1,875**

**Economic Benefit** **0.0%** Enhancement\* **Subtotal 6** **\$0**

Total EB Amounts \$164  
Estimated Cost of Compliance \$10,000  
\*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal** **\$13,125**

## OTHER FACTORS AS JUSTICE MAY REQUIRE

**0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

**Final Penalty Amount** **\$13,125**

## STATUTORY LIMIT ADJUSTMENT

**Final Assessed Penalty** **\$13,125**

## DEFERRAL

**20.0%** Reduction **Adjustment** **-\$2,625**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

**PAYABLE PENALTY** **\$10,500**

Screening Date 30-Apr-2015

Docket No. 2015-0669-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 4 (April 2014)

Case ID No. 50464

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102320850

Media [Statute] Air

Enf. Coordinator David Carney

## Compliance History Worksheet

## &gt;&gt; Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	3	15%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	6	120%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	3	-3%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 132%

## &gt;&gt; Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

## &gt;&gt; Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

## &gt;&gt; Compliance History Summary

## Compliance History Notes

Enhancement for three NOVs with same/similar violations and six agreed orders containing denials of liability. Reduction for three notices of intent to conduct an audit.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, &amp; 7) 132%

## &gt;&gt; Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100% 100%

Screening Date 30-Apr-2015

Docket No. 2015-0669-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 4 (April 2014)

Case ID No. 50464

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102320850

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(b)(2)(F) and (c) and 122.143(4), Federal Operating Permit No. 02165, Special Terms and Conditions No. 8, New Source Review Permit No. 7719A, Special Conditions No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to comply with the permitted hourly emissions rate. Specifically, a July 17, 2013 stack test for the Cure Vessel Vent Scrubber YA25, Emissions Point Number R-V3, showed a particulate matter ("PM") emissions rate of 0.07 pound per hour ("lb/hr") and the permitted emissions rate is 0.06 lb/hr, resulting in the unauthorized release of approximately 28.8 pounds of PM.

Base Penalty \$25,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

## Violation Events

Number of Violation Events 2

120 Number of violation days

mark only one  
with an x

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$7,500

Two quarterly events are recommended for the period of noncompliance from July 17, 2013 to November 14, 2013.

## Good Faith Efforts to Comply

25.0%

Reduction \$1,875

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	X
N/A	(mark with x)

Notes

The Respondent came into compliance on November 14, 2013, prior to the Notice of Enforcement dated February 23, 2015.

Violation Subtotal \$5,625

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$164

Violation Final Penalty Total \$13,125

This violation Final Assessed Penalty (adjusted for limits) \$13,125

# Economic Benefit Worksheet

**Respondent** Chevron Phillips Chemical Company LP  
**Case ID No.** 50464  
**Reg. Ent. Reference No.** RN102320850  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$10,000	17-Jul-2013	14-Nov-2013	0.33	\$164	n/a	\$164

Notes for DELAYED costs

Estimated cost to adjust water level settings on the scrubber in order to ensure proper operation and conduct a stack test. The Date Required is the initial date of noncompliance and the Final Date is the compliance date.

## Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$10,000

**TOTAL**

\$164



# Compliance History Report

**PUBLISHED** Compliance History Report for CN600303614, RN102320850, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

<b>Customer, Respondent, or Owner/Operator:</b>	CN600303614, Chevron Phillips Chemical Company LP	<b>Classification:</b> SATISFACTORY	<b>Rating:</b> 4.74
<b>Regulated Entity:</b>	RN102320850, Chevron Phillips Chemical Borger Plant	<b>Classification:</b> SATISFACTORY	<b>Rating:</b> 7.13
<b>Complexity Points:</b>	27	<b>Repeat Violator:</b>	NO
<b>CH Group:</b>	05 - Chemical Manufacturing		
<b>Location:</b>	TWO MILES NORTHEAST OF THE INTERSECTION OF STATE HIGHWAY SPURS 119 AND 245 NEAR BORGER TEXAS, HUTCHINSON COUNTY		
<b>TCEQ Region:</b>	REGION 01 - AMARILLO		

## ID Number(s):

**INDUSTRIAL AND HAZARDOUS WASTE** EPA ID  
TXD041516709

**INDUSTRIAL AND HAZARDOUS WASTE** PERMIT 50254

**AIR NEW SOURCE PERMITS** REGISTRATION 41609

**AIR NEW SOURCE PERMITS** REGISTRATION 45708

**AIR NEW SOURCE PERMITS** REGISTRATION 46698

**AIR NEW SOURCE PERMITS** ACCOUNT NUMBER HW0013C

**AIR NEW SOURCE PERMITS** REGISTRATION 31409

**AIR NEW SOURCE PERMITS** REGISTRATION 54297

**AIR NEW SOURCE PERMITS** REGISTRATION 50537

**AIR NEW SOURCE PERMITS** REGISTRATION 75050

**AIR NEW SOURCE PERMITS** REGISTRATION 87362

**AIR NEW SOURCE PERMITS** REGISTRATION 94082

**AIR NEW SOURCE PERMITS** REGISTRATION 95559

**AIR NEW SOURCE PERMITS** REGISTRATION 100924

**AIR NEW SOURCE PERMITS** REGISTRATION 100414

**AIR NEW SOURCE PERMITS** REGISTRATION 101596

**AIR NEW SOURCE PERMITS** REGISTRATION 103419

**AIR NEW SOURCE PERMITS** REGISTRATION 103426

**AIR NEW SOURCE PERMITS** REGISTRATION 109136

**AIR NEW SOURCE PERMITS** REGISTRATION 105777

**AIR NEW SOURCE PERMITS** REGISTRATION 129542

**AIR NEW SOURCE PERMITS** REGISTRATION 128635

**AIR NEW SOURCE PERMITS** REGISTRATION 118700

**AIR NEW SOURCE PERMITS** REGISTRATION 112377

**UNDERGROUND INJECTION CONTROL** PERMIT WDW068

**AIR OPERATING PERMITS** ACCOUNT NUMBER HW0013C

**WASTEWATER** PERMIT WQ0002484000

**IHW CORRECTIVE ACTION** SOLID WASTE REGISTRATION #  
(SWR) 30131

**POLLUTION PREVENTION PLANNING** ID NUMBER P01026

**INDUSTRIAL AND HAZARDOUS WASTE** SOLID WASTE  
REGISTRATION # (SWR) 30131

**AIR NEW SOURCE PERMITS** REGISTRATION 39927

**AIR NEW SOURCE PERMITS** REGISTRATION 45470

**AIR NEW SOURCE PERMITS** REGISTRATION 46022

**AIR NEW SOURCE PERMITS** REGISTRATION 47618

**AIR NEW SOURCE PERMITS** PERMIT 21918

**AIR NEW SOURCE PERMITS** AFS NUM 4823300004

**AIR NEW SOURCE PERMITS** REGISTRATION 53267

**AIR NEW SOURCE PERMITS** REGISTRATION 72623

**AIR NEW SOURCE PERMITS** REGISTRATION 84319

**AIR NEW SOURCE PERMITS** REGISTRATION 92460

**AIR NEW SOURCE PERMITS** REGISTRATION 94222

**AIR NEW SOURCE PERMITS** REGISTRATION 100546

**AIR NEW SOURCE PERMITS** REGISTRATION 97948

**AIR NEW SOURCE PERMITS** REGISTRATION 101434

**AIR NEW SOURCE PERMITS** REGISTRATION 102385

**AIR NEW SOURCE PERMITS** REGISTRATION 103052

**AIR NEW SOURCE PERMITS** REGISTRATION 106449

**AIR NEW SOURCE PERMITS** REGISTRATION 109137

**AIR NEW SOURCE PERMITS** REGISTRATION 129435

**AIR NEW SOURCE PERMITS** REGISTRATION 129166

**AIR NEW SOURCE PERMITS** REGISTRATION 127345

**AIR NEW SOURCE PERMITS** REGISTRATION 109132

**AIR NEW SOURCE PERMITS** REGISTRATION 115887

**UNDERGROUND INJECTION CONTROL** PERMIT PIU30131

**AIR OPERATING PERMITS** PERMIT 2164

**WASTEWATER** EPA ID TX0095869

**AIR EMISSIONS INVENTORY** ACCOUNT NUMBER HW0013C

<b>Compliance History Period:</b>	September 01, 2009 to August 31, 2014	<b>Rating Year:</b>	2014	<b>Rating Date:</b>	09/01/2014
<b>Date Compliance History Report Prepared:</b>	April 29, 2015				
<b>Agency Decision Requiring Compliance History:</b>	Enforcement				
<b>Component Period Selected:</b>	April 29, 2010 to April 29, 2015				

## TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

**Name:** David Carney

**Phone:** (512) 239-2583

## **Site and Owner/Operator History:**

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

## **Components (Multimedia) for the Site Are Listed in Sections A - J**

### **A. Final Orders, court judgments, and consent decrees:**

- 1 Effective Date: 07/11/2010 ADMINORDER 2009-2066-IWD-E (1660 Order-Agreed Order With Denial)  
Classification: Moderate  
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)(1)  
30 TAC Chapter 305, SubChapter F 305.125(1)  
Rqmt Prov: Effluent Limits PERMIT  
Description: Failure to comply with permit effluent limits for TSS as documented by a TCEQ record review of self-reported data. Specifically, the TSS daily maximum exceeded the permit limit of 100 milligrams per liter ("mg/L") for the monitoring periods ending April 30, 2009 (150 mg/L) and June 30, 2009 (1412 mg/L).  
Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
Rqmt Prov: WQ0002484000 PERMIT  
Description: Failed to submit noncompliance notifications for effluent violations that exceeded the permitted effluent limit by 40% or more, as documented during a record review conducted on January 27, 2010. Specifically the TSS daily maximum exceeded the permit effluent limit by 40% or more during April 2009 and June 2009, and the TCEQ was not notified.
- 2 Effective Date: 08/21/2010 ADMINORDER 2010-0247-AIR-E (1660 Order-Agreed Order With Denial)  
Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov: 7719A, Special Condition No. 24. B. PERMIT  
7719A, Special Condition No. 24. C. PERMIT  
Description: Failure to stack test Caustic Scrubber R-V23 for all required air contaminants within 180 days after initial start-up on July 22, 2009. Specifically, stack testing of Caustic Scrubber R-V23 was conducted on October 23, 2009, however, testing for volatile organic compounds ("VOCs") was not conducted.
- 3 Effective Date: 10/25/2010 ADMINORDER 2010-0550-UIC-E (1660 Order-Agreed Order With Denial)  
Classification: Major  
Citation: 30 TAC Chapter 331, SubChapter A 331.6  
Rqmt Prov: Class I UIC PERMIT  
Description: Failure to prevent the unauthorized injection of a characteristically hazardous waste into a Class 1 non-hazardous injection well, according to permit provision VI.A. On December 23, 2009, the facility injected approximately 1,234 gallons of a hazardous waste characteristic for corrosivity. The waste stream was generated when cleaning scale from the line that leads to the injection well with dilute aqueous tetrasodium ethylenediaminetetraacetate (EDTA) solution.
- 4 Effective Date: 07/02/2011 ADMINORDER 2010-1881-AIR-E (1660 Order-Agreed Order With Denial)  
Classification: Moderate  
Citation: 30 TAC Chapter 113, SubChapter C 113.890  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT FFFF 63.2460(a)  
5C THSC Chapter 382 382.085(b)  
Description: Failure to reduce the outlet organic HAP concentration to equal to or less than 20 ppmv as TOC or total organic HAP.
- 5 Effective Date: 04/05/2012 ADMINORDER 2011-1683-AIR-E (1660 Order-Agreed Order With Denial)  
Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)  
5C THSC Chapter 382 382.085(b)  
Description: Failure to submit an initial notification of a reportable emissions event within 24 hours of discovery of the emissions event

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 21918 PERMIT

Description: Failure to prevent unauthorized emissions. The release of unauthorized emissions occurred during an emissions event (which did not meet all affirmative defense criteria)

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.146(2)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: O-02165 OP

Description: Failed to submit a PCC within 30 days from the end of the certification period, in violation of 30 TEX. ADMIN. CODE § 122.146(2), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") No. 02165, General Terms and Conditions, as documented during an investigation conducted on August 26, 2011 to August 31, 2011. Specifically, the Respondent did not submit the PCC for FOP No. 02165 for the August 1, 2009 through July 31, 2010 reporting period until August 29, 2011.

6

Effective Date: 05/02/2013

ADMINORDER 2012-1824-MLM-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 331, SubChapter A 331.7

Rqmt Prov: Underground Injection Control Permit PERMIT

Description: Failed to prevent the unauthorized injection of a hazardous waste into a Class 1 non-hazardous injection well.

**B. Criminal convictions:**

N/A

**C. Chronic excessive emissions events:**

N/A

**D. The approval dates of investigations (CCEDS Inv. Track. No.):**

Item 1	May 17, 2010	(834840)
Item 2	June 21, 2010	(847474)
Item 3	July 21, 2010	(861894)
Item 4	July 29, 2010	(843243)
Item 5	August 18, 2010	(868398)
Item 6	September 20, 2010	(875320)
Item 7	September 27, 2010	(865247)
Item 8	October 18, 2010	(882884)
Item 9	November 12, 2010	(889276)
Item 10	December 01, 2010	(877511)
Item 11	December 13, 2010	(897663)
Item 12	January 14, 2011	(903549)
Item 13	February 03, 2011	(910452)
Item 14	March 04, 2011	(901493)
Item 15	April 07, 2011	(929011)
Item 16	May 16, 2011	(939387)
Item 17	June 03, 2011	(946805)
Item 18	June 08, 2011	(920335)
Item 19	June 24, 2011	(935307)
Item 20	July 22, 2011	(954062)
Item 21	August 04, 2011	(943755)
Item 22	August 15, 2011	(948928)
Item 23	August 22, 2011	(960647)
Item 24	August 23, 2011	(846023)
Item 25	September 13, 2011	(951975)
Item 26	October 05, 2011	(957545)
Item 27	October 13, 2011	(972717)
Item 28	October 21, 2011	(962578)
Item 29	November 18, 2011	(978860)
Item 30	December 15, 2011	(985696)
Item 31	January 17, 2012	(992025)
Item 32	February 07, 2012	(983187)

**Published** Compliance History Report for CN600303614, RN102320850, Rating Year 2014 which includes Compliance History (CH) components from April 29, 2010, through April 29, 2015.

Item 33	February 10, 2012	(987114)
Item 34	February 17, 2012	(999359)
Item 35	March 21, 2012	(1004876)
Item 36	April 18, 2012	(1011446)
Item 37	May 16, 2012	(1017803)
Item 38	June 12, 2012	(1012930)
Item 39	June 22, 2012	(1025585)
Item 40	July 12, 2012	(1032921)
Item 41	August 20, 2012	(1039427)
Item 42	August 28, 2012	(1029119)
Item 43	September 18, 2012	(1048334)
Item 44	October 01, 2012	(1030506)
Item 45	October 10, 2012	(1036030)
Item 46	October 22, 2012	(1037158)
Item 47	November 14, 2012	(1067913)
Item 48	November 19, 2012	(1043407)
Item 49	December 12, 2012	(1067914)
Item 50	January 17, 2013	(1081939)
Item 51	February 11, 2013	(1057753)
Item 52	February 18, 2013	(1081938)
Item 53	March 12, 2013	(1090755)
Item 54	April 16, 2013	(1097106)
Item 55	May 03, 2013	(1108124)
Item 56	June 12, 2013	(1111710)
Item 57	July 10, 2013	(1118609)
Item 58	August 09, 2013	(1126399)
Item 59	August 19, 2013	(1106327)
Item 60	September 09, 2013	(1130949)
Item 61	October 02, 2013	(1136704)
Item 62	October 17, 2013	(1123794)
Item 63	November 06, 2013	(1142115)
Item 64	December 16, 2013	(1148559)
Item 65	January 06, 2014	(1154631)
Item 66	February 11, 2014	(1161954)
Item 67	February 25, 2014	(1151527)
Item 68	March 05, 2014	(1168570)
Item 69	April 14, 2014	(1175738)
Item 70	May 13, 2014	(1181948)
Item 71	June 03, 2014	(1188856)
Item 72	June 30, 2014	(1178046)
Item 73	July 02, 2014	(1200660)
Item 74	August 05, 2014	(1200661)
Item 75	August 25, 2014	(1191828)
Item 76	September 10, 2014	(1207193)
Item 77	October 08, 2014	(1213599)
Item 78	October 16, 2014	(1202541)
Item 79	November 04, 2014	(1219854)
Item 80	November 05, 2014	(1205058)
Item 81	November 18, 2014	(1209449)
Item 82	December 08, 2014	(1225655)
Item 83	January 06, 2015	(1232656)
Item 84	February 09, 2015	(1243653)
Item 85	March 25, 2015	(1240374)

#### E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1            Date:      08/21/2014      (1191209)                      CN600303614  
              Self Report?    NO    Classification:      Moderate  
              Citation:            30 TAC Chapter 116, SubChapter B 116.115(c)

**Published** Compliance History Report for CN600303614, RN102320850, Rating Year 2014 which includes Compliance History (CH) components from April 29, 2010, through April 29, 2015.



30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
FOP 02165 STC 8 OP  
Permit 7719A SC 17 PERMIT

Description: Failure for R-V23 to comply with minimum liquid flow to the absorber and minimum pH of the scrubbing solution established by most recent satisfactory stack test

2

Date: 08/26/2014 (1191466) CN600303614  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1025(b)  
5C THSC Chapter 382 382.085(b)  
Permit 21918 SC 9F PERMIT  
Description: Failure to monitor valves as part of fugitive monitoring program  
Self Report? NO Classification: Moderate  
Citation: 122.145(2) OP  
30 TAC Chapter 122, SubChapter B 122.145(2)  
5C THSC Chapter 382 382.085(b)  
Description: Failure to include all instances of deviations on previous deviation reports  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THSC Chapter 382 382.085(b)  
Permit 21918 SC 9F PERMIT  
Description: Failure to monitor valves as part of fugitive monitoring program  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THSC Chapter 382 382.085(b)  
Permit No. 21918 SC 21 PERMIT  
Description: Failure to continuously monitor North Flare FL-1  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THSC Chapter 382 382.085(b)  
Permit 21918 SC 9E PERMIT  
Description: Failure to prevent open-ended lines or valves  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THSC Chapter 382 382.085(b)  
Permit No. 21918 SC 44 PERMIT  
Description: Failure to maintain thermal oxidizer fire box temperature above minimum requirement  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1026(b)  
5C THSC Chapter 382 382.085(b)  
Permit No. 21918 SC 9F PERMIT  
Description: Failure to monitor pumps as part of fugitive monitoring program  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(b)  
5C THSC Chapter 382 382.085(b)  
Permit No. 21918 SC 9F PERMIT  
Description: Failure to monitor valves as part of fugitive monitoring program  
Self Report? NO Classification: Minor  
Citation: 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.174(a)  
5C THSC Chapter 382 382.085(b)  
Description: Failure to monitor connectors as part of fugitive monitoring program  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(3)(ii)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)(6)(ii)  
5C THSC Chapter 382 382.085(b)  
Permit No. 21918 SC 20A PERMIT  
Description: Failure for flares' gas stream to meet minimum heating value

3

Date: 02/23/2015 (1195697) CN600303614  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
FOP 02165 STC 8 OP

Description: Permit 7719A SC 11 & 13 PERMIT  
 Failure for R-V2 to comply with minimum liquid flow rate and maximum outlet gas stream temperature established by most recent satisfactory stack test  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 FOP 02165 STC 8 OP  
 Permit 7719A SC 17 PERMIT  
 Description: Failure for R-V23 to comply with minimum liquid flow to the absorber and minimum pH of the scrubbing solution established by most recent satisfactory stack test  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(B)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 FOP 02165 STC 3Bi OP  
 Description: Failure for R-V3 to comply with opacity limit  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 FOP 02165 STC 2F OP  
 Description: Failure to create a final record of a non-reportable emissions event within 2 weeks after the end of the emissions event

#### F. Environmental audits:

Notice of Intent Date: 03/08/2011 (906581)  
 No DOV Associated  
 Notice of Intent Date: 05/26/2011 (932661)  
 No DOV Associated  
 Notice of Intent Date: 10/10/2012 (1043679)  
 No DOV Associated

#### G. Type of environmental management systems (EMSs):

N/A

#### H. Voluntary on-site compliance assessment dates:

N/A

#### I. Participation in a voluntary pollution reduction program:

N/A

#### J. Early compliance:

N/A

#### Sites Outside of Texas:

N/A

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
CHEVRON PHILLIPS CHEMICAL  
COMPANY LP  
RN102320850**

§  
§  
§  
§  
§  
§

**BEFORE THE  
  
TEXAS COMMISSION ON  
  
ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2015-0669-AIR-E**

### **I. JURISDICTION AND STIPULATIONS**

On \_\_\_\_\_, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Chevron Phillips Chemical Company LP ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates an organic chemical manufacturing plant located two miles northeast of the intersection of State Highway Spurs 119 and 245 near Borger, Hutchinson County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about February 28, 2015.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Thirteen Thousand One Hundred Twenty-Five Dollars (\$13,125) is assessed by the Commission in settlement of the violations

alleged in Section II ("Allegations"). The Respondent has paid Five Thousand Two Hundred Fifty Dollars (\$5,250) of the administrative penalty and Two Thousand Six Hundred Twenty-Five Dollars (\$2,625) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Five Thousand Two Hundred Fifty Dollars (\$5,250) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that by November 14, 2013, the Respondent adjusted water level settings on the scrubber in order to ensure proper operation and successfully passed a stack test demonstrating compliance with permitted emissions rates.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have failed to comply with the permitted hourly emissions rate, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), Federal Operating Permit No. O2165, Special Terms and Conditions No. 8, New Source Review Permit No. 7719A, Special Conditions No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on January 9, 2015. Specifically, a July 17, 2013 stack test for the Cure Vessel Vent Scrubber YA25, Emissions Point Number R-V3, showed a particulate matter ("PM") emissions rate of 0.07 pound per hour ("lb/hr") and the permitted emissions rate is 0.06 lb/hr, resulting in the unauthorized release of approximately 28.8 pounds of PM.

### III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Chevron Phillips Chemical Company LP, Docket No. 2015-0669-AIR-E" to:  
  
Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088
2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Five Thousand Two Hundred Fifty Dollars (\$5,250) of the assessed administrative penalty shall be offset with the condition that the SEP defined in Attachment A, incorporated herein by reference, is implemented by the Respondent. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director.

- The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
  7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
  8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

## SIGNATURE PAGE

### TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

Sam Mancure  
For the Executive Director

10/30/15  
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
  - Greater scrutiny of any permit applications submitted;
  - Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
  - Increased penalties in any future enforcement actions;
  - Automatic referral to the Attorney General's Office of any future enforcement actions; and
  - TCEQ seeking other relief as authorized by law.
- In addition, any falsification of any compliance documents may result in criminal prosecution.

Stephen G. Goff  
Signature

8/6/2015  
Date

Stephen G. Goff  
Name (Printed or typed)  
Authorized Representative of  
Chevron Phillips Chemical Company LP

Borger Plant Manager  
Title

**Instructions:** Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.





**Attachment A**  
**Docket Number: 2015-0669-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Chevron Phillips Chemical Company LP</b>
<b>Penalty Amount:</b>	<b>Ten Thousand Five Hundred Dollars (\$10,500)</b>
<b>SEP Offset Amount:</b>	<b>Five Thousand Two Hundred Fifty Dollars (\$5,250)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Borger Independent School District</b>
<b>Project Name:</b>	<b><i>Borger ISD Clean School Bus Replacement Program</i></b>
<b>Location of SEP:</b>	<b>Hutchinson County; Texas Air Quality Control Region 211, Amarillo - Lubbock</b>

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

**a. Project**

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Borger Independent School District** for the *Borger ISD Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel and gasoline buses with newer buses that meet more stringent emission standards. The Third-Party Administrator shall use SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel or gasoline school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

Chevron Phillips Chemical Company LP  
Agreed Order - Attachment A

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Borger Independent School District SEP** and mail the contribution with a copy of the Agreed Order to:

Borger Independent School District  
200 East Ninth Street  
Borger, Texas 79008-1177

**3. Records and Reporting**

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount due to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality  
Enforcement Division  
Attention: SEP Coordinator, MC 219  
P.O. Box 13087  
Austin, Texas 78711-3087

#### 4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality"; and shall mail it to:

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

#### 5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent, must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

#### 6. Recognition

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

#### 7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.